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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

(No Surface Use)			
THIS LEASE AGREEMENT is mad	e this <u>Quit</u> day of	August	, 2008, by and between
Carlos Ranos an		lena Ranos	
hereinabove named as Lessee, but all ott 1. In consideration of a cash bor described land, hereinafter called leased	.C., 2100 Ross Avenue, Suite 1870 D her provisions (Including the completion hus in hand paid and the covenants her premises:	Dallas Texas 75201, as Less of blank spaces) were prepa erein contained, Lessor here	see. All printed portions of this lease were prepared by the party red jointly by Lessor and Lessee. by grants, leases and lets exclusively to Lessee the following
ACRES OF LAND.	MORE OR LESS, BEING LOT	s) 25	.BLOCK
OUT OF THE Carver Fort Worth IN VOLUME 3980	Heights, TARRANT CO	OUNTY, TEXAS, ACC	, BLOCK, ADDITION, AN ADDITION TO THE CITY OF ORDING TO THAT CERTAIN PLAT RECORDED CORDS OF TARRANT COUNTY, TEXAS.
reversion, prescription or otherwise), for substances produced in association the commercial gases, as well as hydrocarb land now or hereafter owned by Lessor Lessor agrees to execute at Lessee's req	the purpose of exploring for, developi prewith (including geophysical/seismic on gases. In addition to the above-des which are contiguous or adjacent to the uest any additional or supplemental inst	ing, producing and marketing operations). The term "ga scribed leased premises, this above-described leased pre truments for a more complete	ding any interests therein which Lessor may hereafter acquire by goil and gas, along with all hydrocarbon and non hydrocarbon is as used herein includes helium, carbon dioxide and other lease also covers accretions and any small strips or parcels of emises, and, in consideration of the aforementioned cash bonus, a or accurate description of the land so covered. For the purpose I be deemed correct, whether actually more or less.
as long thereafter as oil or gas or other so otherwise maintained in effect pursuant to 3. Royalties on oil, gas and other separated at Lessee's separator facilities. Lessor at the wellhead or to Lessor's crethe wellhead market price then prevailing prevailing price) for production of similar production, severance, or other excise to Lessee shall have the continuing right to no such price then prevailing in the same or nearest preceding date as the more wells on the leased premises or lan are waiting on hydraulic fracture stimulatibe deemed to be producing in paying outhere from is not being sold by Lessee, Lessor's credit in the depository designation while the well or wells are shut-in or prodicts being sold by Lessee from another well services.	ubstances covered hereby are produced to the provisions hereof, substances produced and saved hereus, the royalty shall be \(\frac{1}{2}\)\[\frac{1}{2}\]\[\	d in paying quantities from the noder shall be paid by Lesser facilities, provided that Lesser the price then prevailing in the cluding casing head gas) a led by Lessee from the sall in delivering, processing or cliing weilhead market price part there is such a prevailing per there is such a prevailing per producing oil or gas or off the production there from this lease. If for a period of the one dollar per acre then considered provided that if this leases provided that if this leases and spooled therewith, no should be seen the considered the provided that if this leands pooled therewith, no should be seen the considered the provided the provided that if this leands pooled therewith, no should be seen the considered the provided the provided that if this leands pooled therewith, no should be priced that if this leands provided therewith, no should be provided the provided the provided that if this leands provided the provided the provided that if this leands provided the provided that if this leands provided the provided the provided that if this leands provided the provided that if this leands provided the provided the provided that if this leands provided the prov	lyears from the date hereof, and for e leased premises or from lands pooled therewith or this lease is a to Lessor as follows: (a) For oil and other liquid hydrocarbons %) of such production, to be delivered at Lessee's option to be shall have the continuing right to purchase such production at the same field, then in the nearest field in which there is such a not all other substances covered hereby, the royalty shall be a thereof, less a proportionate part of ad valorem taxes and therewise marketing such gas or other substances, provided that aid for production of similar quality in the same field (or if there is rice) pursuant to comparable purchase contracts entered into on (c) if at the end of the primary term or any time thereafter one or her substances covered hereby in paying quantities or such wells is not being sold by Lessee, such well or wells shall nevertheless 90 consecutive days such well or wells are shut-in or production overed by this lease, such payment to be made to Lessor or to or on or before each anniversary of the end of said 90-day period ase is otherwise being maintained by operations, or if production ut-in royalty shall be due until the end of the 90-day period next ender Lessee liable for the amount due, but shall not operate to
4. All shut-in royalty payments und be Lessor's depository agent for receiving draft and such payments or tenders to Leaddress known to Lessee shall constitute payment hereunder, Lessor shall, at Less 5. Except as provided for in Paragremises or lands pooled therewith, or i pursuant to the provisions of Paragraph nevertheless remain in force if Lessee con the leased premises or lands pooled the end of the primary term, or at any til operations reasonably calculated to obtain to cessation of more than 90 consecutive re is production in paying quantities for Lessee shall drill such additional wells on to (a) develop the leased premises as to	p payments regardless of changes in the assor or to the depository by deposit in proper payment. If the depository sho ee's request, deliver to Lessee a proper raph 3, above, if Lessee drills a well when all production (whether or not in paying 6 or the action of any governmental wherewith within 90 days after completion me thereafter, this lease is not otherwing or restore production therefrom, this le days, and if any such operations reson the leased premises or lands pooled the formations then capable of producing	e ownership of said land. All ; the US Mails in a stamped e utild liquidate or be succeede recordable instrument naminish is in a incapable of producing ing quantities) permanently authority, then in the even existing well or for drilling an nof operations on such dry hise being maintained in force ease shall remain in force so will in the production of oil or ed therewith, as a reasonably prucine paying quantities on the	it in at lessor's address above or its successors, which shall payments or tenders may be made in currency, or by check or by envelope addressed to the depository or to the Lessor at the last diby another institution, or for any reason fail or refuse to accepting another institution as depository agent to receive payments. In in paying quantities (hereinafter called "dry hole") on the leased ceases from any cause, including a revision of unit boundaries at this lease is not otherwise being maintained in force it shall additional well or for otherwise obtaining or restoring production force or within 90 days after such dessation of all production. If a but Lessee is then engaged in drilling, reworking or any other long as any one or more of such operations are prosecuted with gas or other substances covered hereby, as long thereafter as in of a well capable of producing in paying quantities hereunder, tent operator would drill under the same or similar circumstances in the paying department of the portion of the with. There shall be no covenant to drill exploratory wells or any

additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means as a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet per barrel and "gas well" m

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties brain Lessor has satisfied the notification requirements contained in Lessee's usual form or division order. In the event of the deposit entitled to shuf-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shuf-in royalties hereunder, Lessee may pay or tender such shuf-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of
- the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any bouse or barn now on the leased
- other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's otton, the period of such prevention or delay shall be added to the term hereof.
- Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered
- explication of this lease, Lesson hereby agrees to fully Lessee in whiling it said offer integrately, including in the hotice the harms and address of the offer. Lessee, for a period of filleen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market ns. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or

different terms depending on future market conditions. Neither party twhich Lessee has or may negotiate with any other lessors/oil and gas		alter the terms of this transaction based upon any differing term
IN WITNESS WHEREOF, this lease is executed to be effective as of the heirs, devisees, executors, administrators, successors and assigns, whether	date first written above, I er or not this lease has bee	but upon execution shall be binding on the signatory and the signater executed by all parties hereinabove named as Lessor.
By: CARIOS Ramos	By:	Maria Eleha Ranos
STATE OF TEXAS	ACKNOWLEDGMENT	, 2008,
This instrument was acknowledged before me on the by: Carlos Range and wife, Maria	Elena Renus	1800-
JORGE VALENCIANO Notary Public, State of Texas My Commission Expires June 13, 2012	/x	pary Public, State of party's name (printed): party's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of	, 2008,
		otary Public, State of

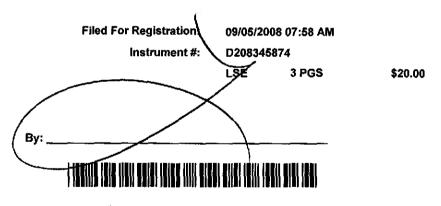


DALE PROPERTY SERVICES LLC ATTN: ANN VANDENBERG 2100 ROSS AVE, STE 1870, LB-9 DALLAS TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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